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Exhibit A: Executive Summary

Executive Summary

Maryland is currently facing a housing crisis with an estimated 150,000 affordable housing units missing from its housing stock. The COVID-19 pandemic and its economic impact have invariably worsened this crisis. Rising interest rates, building costs, and labor have all exacerbated the issue, dampening the already tepid rate of new housing construction in Maryland. Compounding these issues, overly restrictive land use controls limit what kind and the density of housing that can be built, further suppressing construction. While these issues are not unique to Maryland, the state is unique in the degree of restrictiveness in its land use controls. According to the “Zoning Restrictiveness Index,” recently developed by the Eviction Lab, the Washington, D.C. metropolitan statistical area, which includes 5 Maryland counties, had the most restrictive land use controls out of the 48 areas studied.

These restrictions not only impact new housing construction generally, they have the specific impact of limiting where low-resource households can live. Low-density zoning districts typically lead to higher building costs, pricing out many households. This segregation by income, and often race, presents Maryland with a fair housing issue that warrants action. Yet, we currently lack objective metrics to either determine where in Maryland land use controls are most restrictive or their impact on economic mobility and racial disparities.

Therefore, the first proposed activity funded through this grant is a statewide fair housing analysis. Consisting of six components, this analysis will examine and map zoning codes, zoning restrictiveness, permitting timelines, segregation by race and income, cost burden among vulnerable populations, and communities of opportunity. This publicly available tool will allow the Department of Housing and Community Development to conduct statistical analyses to examine the interaction of these different components. This tool will highlight areas in Maryland that are highly segregated and have restrictive zoning in need of reform.

The second component will provide communities with the tools to undertake that reform. The Maryland Department of Planning (MDP) proposes to develop a suite of model ordinances that jurisdictions can use to update their various land use codes and plans. MDP will also provide local jurisdictions on-going technical assistance to guide them through the process of updating their zoning codes to allow for greater variety and density of housing.

The last activity proposed under this grant is to provide subgrants to local jurisdictions to fund their undertaking pro-housing zoning reforms and updating permitting processes to create an expedited review process for affordable housing. Driven by the results of the fair housing analysis and the guidance provided by MDP, this funding will serve as the necessary catalyst for dozens of jurisdictions to undertake fundamental reforms.

**Exhibit B: Threshold Requirements and Other Submission
Requirements**

Threshold Requirements and Other Submission Requirements

Threshold Eligibility Requirements

1. The Maryland Department of Housing and Community Development (DHCD) does not have any pending or unresolved civil rights matters.
2. This application will be submitted by the grant deadline of October 30th, 2023.
3. Maryland DHCD is an eligible applicant as an executive department of the State of Maryland. States are listed as eligible applicants in Section III.A of the notice of funding opportunity.
4. Only one application will be submitted on behalf of Maryland DHCD.

Other Submission Requirements

This application will include all required standard forms. Maryland DHCD is compliant with all other requirements listed in Section IV.G of the notice of funding opportunity.

Exhibit C: Need

i. Describe your efforts so far to identify, address, mitigate, or remove barriers to affordable housing production and preservation.

The State of Maryland has been a leader in the creation and preservation of affordable housing. Maryland has made significant statewide investment in the financing of affordable housing, passed legislation to require local jurisdictions to plan for fair and affordable housing, and conducted statewide analyses to identify remaining affordable housing needs. These actions have removed key cost, information and planning barriers to the production of affordable housing statewide.

Significant Statewide Investment in the Production and Preservation of Affordable Housing

The State of Maryland has made a significant state budgetary investment in the production and preservation of affordable housing. The Maryland Department of Housing and Community Development (DHCD) is the largest financier of affordable housing in the state of Maryland. Between Fiscal Years 2017 and 2022, DHCD supported the creation of 28,562 affordable rental units across 283 projects and communities through the deployment of \$7.1 billion in affordable housing financing. Most recently, in Fiscal Year 2022 (July 2021 - June 2022), DHCD created 1,340 high quality, energy-efficient, and affordable rental units for Maryland's families, seniors, and persons with disabilities. This was accomplished through the investment of \$928.3 million, including the deployment of \$454.5 million in federal Low Income Housing Tax Credit, HOME, and National Trust Fund resources, and the leveraging of \$473.9 million in state funding for low-interest gap financing and other rental housing programming.

In addition to the scale of DHCD's rental housing investment, the Department has enacted policies consistent with best practices on ensuring that investment furthers fair housing and expands opportunity for low-income families. Across all of DHCD's multifamily rental housing programs, the following priorities guide the award of competitive and non-competitive funding: (1) family housing in communities of opportunity; (2) housing in community revitalization and investment areas; (3) integrated permanent supportive housing opportunities; (4) preservation of existing affordable housing; (5) elderly housing; (6) permanent supportive housing for veterans and persons experiencing homelessness; and (7) housing for low-income agricultural, fishery, livestock, and poultry workers. Additionally, all multifamily housing projects that receive state funding must develop and implement an Affirmative Fair Housing Marketing Plan.

In the implementation of the Low Income Housing Tax Credit (LIHTC) program, DHCD requires a long-term affordability covenant of 40 years, a 33% increase in duration over the federal minimum. Moreover, the Qualified Action Plan specifies that all projects located within "communities of opportunity" that request competitive tax credits qualify for the state 30% basis boost, which increases a property's maximum tax credit allocation and allows a LIHTC property to generate more equity. Communities of opportunity are defined for this purpose as areas with composite community health, economic opportunity, and educational opportunity indexes above

the statewide average. Finally, DHCD allows for a local jurisdiction to provide comments on a proposed project receiving a LIHTC allocation, but does not require or consider local approval. Recently, the results of these policies on patterns of DHCD investment were studied by a 2022 report led by the University of Maryland Center for Smart Growth. This report, titled “Examining Racial Disparities in Maryland’s Housing Market,” found that the majority of DHCD program funds are directed to majority Black, Indigenous, and People of Color (BIPOC) areas.

Most recently, the Department has implemented two innovative pilot programs to reduce barriers to affordable housing in underserved communities. In 2021, legislation (HB1239) created a \$10 million Homeownership Works pilot to provide a public funding tool to address the appraisal gap (where the cost to build or renovate a home exceeds its sale value) in historically underserved communities. In April 2023, Governor Wes Moore announced \$3 million in awards from the Emerging Developer’s Loan Fund for nine undercapitalized developers working in historically disinvested communities to create or preserve approximately 498 affordable housing units.

In addition to direct investment in housing production, DHCD deploys significant programming to support and stabilize communities. Between Fiscal Years 2017 and 2022, the Department invested over \$978 million across 3,535 communities in Maryland to support small business and main street development, improve community safety, mitigate the impact of abandoned and vacant buildings, and otherwise create more robust Maryland neighborhoods.

Consistently, the Department of Housing and Community Development has implemented best practices to advance fair housing through the State’s significant statewide investment in producing and preserving affordable housing rental units. As the single largest financier of affordable housing in the state, the allocation of DHCD investments directly shapes where rent-restricted housing is produced for low-income Maryland residents.

Statewide Legislation to Require Local Jurisdictions to Plan for Affordable Housing

The state of Maryland has a history of implementing laws designed to encourage local land use policy changes to overcome local barriers to affordable housing production and preservation. Most of these laws have focused on requiring local jurisdictions to assess and plan for their affordable housing needs. Notably, the 2009 Planning Visions Bill, HB 1045 (2019), and HB 90 (2021) have all established statewide requirements for local jurisdictions to plan housing development for a range of income types. Through this significant legislative history, the state of Maryland has encouraged meaningful local land use policy changes. Moreover, the Maryland Department of Planning has developed deep experience with providing technical assistance to jurisdictions undertaking comprehensive planning updates.

In 2009, the Planning Visions bill (SB 273/HB 294) was enacted to describe the State's land use policy and require local jurisdictions to plan for and implement a range of housing densities, types, and sizes that provide residential options for all ages and incomes. The bill also requires local jurisdictions to report to the state if an Adequate Public Facilities Ordinance (which ties development approvals under zoning and subdivision ordinances to specifically defined public facility standards) results in the restriction of new development (including residential housing development). As of 2022, 14 counties and 25 municipalities in Maryland have adopted an Adequate Public Facilities Ordinance (APFO).

This statewide planning and reporting requirement has documented significant local action on removing barriers to affordable housing development imposed through APFOs. Notably, both Montgomery and Howard counties, the two counties in Maryland with the highest Housing Affordability Factor, have adopted reforms and exceptions to their APFO requirements to facilitate more housing development in the last five years. In 2018, Howard County allowed for certain exceptions for moderate income housing units and low-income tax credit projects. While measurable improvement has occurred (the total number of proposed housing units on hold due to school capacity limitations has decreased from 804 units in 2017 to 505 units in 2022), regulatory school capacity limitations remain a significant barrier to residential development in Howard County. In 2021, Montgomery County adopted a new Growth and Infrastructure Policy that completely eliminated both school capacity and transportation limitations to new housing development. Other jurisdictions are also taking steps to ameliorate the impact of infrastructure constraints on new residential development: for example, Anne Arundel County is currently in the process of redistricting schools to address school capacity constraints in the north of the County that have long delayed new housing development.

Maryland's Land Use article states that local planning commissions must adopt a comprehensive plan that meets state requirements. The comprehensive plan must be reviewed and updated every ten years. In 2019, HB 1045 was enacted to require local governments to add a housing element to their comprehensive plan that will address the need for affordable housing within their jurisdiction, including housing for households below 60% of Area Median Income. The Maryland Department of Planning reviews comprehensive plans, provides technical assistance to complete them, and creates models and guidelines to implement them. The resources provided have included technical assistance from dedicated state Regional Planners, example model housing element processes, outlines of affordable housing best practices from a variety of Maryland communities, and examples of affordable housing planning and studies recently completed by Maryland jurisdictions.

Five of Maryland's 23 counties have adopted updated comprehensive plans since housing elements have become required. Baltimore County's 2020 Comprehensive Plan states that the County "should provide appropriate incentives and zoning" to encourage "rental housing in

mixed-use, mixed income and mixed housing projects,” and recommends an action to explore implementing inclusionary zoning ordinances. Dorchester County’s 2021 Comprehensive Plan expresses a commitment to coordinate with municipalities to provide higher density development and to evaluate zoning and development codes to ensure they permit a variety of housing types. Garrett County’s 2022 Comprehensive Plan recommends encouraging higher density development to facilitate affordable and workforce housing, reducing costs to housing development, and continued commitment to affordable housing development efforts. Montgomery County’s 2022 Comprehensive Plan discusses developing more “missing middle” housing, increasing the racial and economic diversity of neighborhoods, and increasing regulatory flexibility to incentivize infill development. Finally, Queen Anne’s County’s 2022 Comprehensive Plan recommends increasing density, improving the county’s inclusionary zoning program, and promoting infill development. Taken together, the housing elements of these comprehensive plans, as adopted by county governing bodies, demonstrate a broad interest in and commitment to pro-housing regulatory reforms across the state of Maryland.

Most recently, as of January 2023 HB 90 requires all housing elements for municipalities and non-charter counties’ comprehensive plans to affirmatively further fair housing. The legislation additionally requires the Maryland Department of Housing and Community Development to report on the efforts by the State, political subdivisions, and housing authorities to promote fair housing choice and racial and economic housing integration. The ongoing compilation of that report has revealed a patchwork of progress on planning and implementing strategies to further fair housing at the local and regional level across the state. Both regional metropolitan planning organizations with footprints in Maryland, the Baltimore Metropolitan Council (which includes six Maryland counties and Baltimore City) and the Metropolitan Washington Council of Governments (which includes four Maryland counties and ten Maryland municipalities), have in the last three years completed analyses of impediments to fair housing that include implementation actions for their participating member jurisdictions. However, at least six Maryland counties with a combined population of over 400,000 residents have not completed any fair housing analysis or planning. While there is a strong foundation for removing impediments to fair housing across the state of Maryland, that foundation is not equal across jurisdictions.

In sum, Maryland has a strong legislative track record of requiring jurisdictions to reduce impediments to fair housing and plan for housing for a wide range of incomes. Through years of implementation experience, the Maryland Department of Planning has developed substantial subject-matter expertise providing technical assistance to jurisdictions undertaking local planning efforts regarding housing.

Statewide Analysis to Identify Barriers to Affordable Housing Production

In 2020, the Maryland Department of Housing and Community Development commissioned the *Maryland Housing Needs Assessment & 10-Year Strategic Plan* to chart a course for the state to become a more affordable place to live by 2030. In this comprehensive analysis, key solutions to address Maryland's pressing housing needs included local regulatory changes: increasing the predictability of the regulatory process, offering expedited development review of affordable housing, enacting zoning changes to allow for higher density development, and amending zoning to allow by-right development of diverse housing types, among others.

ii. Do you have acute demand for affordable housing? What are your remaining affordable housing needs and how do you know?

As described in more detail in the Soundness of Approach section, Maryland DHCD's proposal focuses implementation activities only in counties and municipalities identified as "priority geographies" in the PRO Housing Notice of Funding Opportunity. Over half of Maryland's population lives in a county or municipality identified as meeting the threshold criteria for the housing affordability factor, affordable housing not keeping pace factor, or the widespread housing cost burden factor, speaking to the acuteness of the housing crisis in the state.

Several factors combine to make Maryland's housing crisis particularly acute. Maryland consistently ranks near the top of states with the highest costs of living, and in recent years, both home prices and rent costs have increased significantly. Despite Maryland having the highest median household income of any state in the country, the state's lower-income residents often struggle to find affordable housing because of a lack of supply. Statewide, according to the National Low-Income Housing Coalition, Maryland has a shortage of nearly 150,000 housing units available and affordable to families below 50% Area Median Income. Statewide, 80% of renters below 50% AMI are classified as cost-burdened, meaning they spend more than 30% of income on housing costs. According to the state's Housing Needs Assessment of 2020, only 33 housing units are available and affordable for every 100 extremely low income (<30% AMI) households. These housing supply issues are particularly acute in the Washington, D.C. suburbs, such as Prince George's and Montgomery counties.

In Montgomery County, for instance – one of the highest per capita income counties in the United States – nearly half of the approximately 150,000 renter households are classified as cost-burdened. Of those cost-burdened renter households, 28% are households that make above 50% AMI, and this is due to the county's extremely high rents, which averaged over \$1,900 per unit, or over \$2/square foot, in 2022. To afford the average 2-bedroom apartment in Montgomery County – at \$2,100/month – without being cost-burdened, a family would need to earn at least \$84,000 per year, or the equivalent of two full-time jobs paying \$21/hour. Over the past several years, the county has seen a vacancy rate hovering at or just below 5% – indicative of a severely constrained housing market. As far as owner-occupied housing, the average sale price for a single-family home in Montgomery County currently hovers around \$550,000 – only affordable

for households over 120% of AMI. In the highest-cost localities within the county, such as Bethesda and Potomac, the average sale price of a new home is well over \$1 million, effectively pricing out anyone whose income is not significantly above average, even for this high-income area. Not surprisingly, about one-quarter of Montgomery County homeowners are classified as cost-burdened. Other jurisdictions in the densely populated Washington, D.C. suburbs, including Prince George's, Howard, and Anne Arundel counties, face similar acute needs for affordable housing for their residents.

Age of housing stock is also a significant issue statewide. While the median age of housing units statewide is about 40 years according to the U.S. Census Bureau, the numbers range widely by individual jurisdiction. For instance, in rural Allegany County, a priority geography in western Maryland, 42.7% of housing units were constructed before 1950. In densely populated Prince George's County, the issue is not quite as acute, but well over half of the housing units there were constructed before 1980, and over 20% before 1960. In Linthicum, a Baltimore suburb and PRO Housing priority municipality located in Anne Arundel County, nearly 70% of housing units were built before 1980. Encouraging and removing barriers to new construction, along with existing projects to maintain and rehabilitate aging housing stock, will place more Marylanders in safe, modern housing.

iii. What key barriers still exist and need to be addressed to produce and preserve more affordable accessible housing?

Across the state of Maryland, legacy land use and development regulations remain key barriers to the production of all residential housing, including affordable housing. Zoning laws, permitting processes, and adequate public infrastructure requirements are key barriers to residential housing development that directly contribute towards the mismatch between the supply of and demand for housing - especially for residents with low-incomes.

Low-density zoning remains a key barrier statewide to the production of housing

Zoning that places restrictions on the types of homes that can be built in a neighborhood (such as prohibiting multi-family homes, designating minimum lot sizes, requiring minimum square footage, or restricting building height) is often referred to as "exclusionary zoning." Limiting more affordable housing options, such as apartment buildings or smaller-sized homes, systematically restricts lower-income residents from living in certain areas. These kinds of zoning restrictions are prevalent in Maryland: the *Maryland Housing Needs Assessment & 10-Year Strategic Plan* noted that 50% of Maryland's housing stock is single-family, detached homes, and most zoning statewide supports low-density residential development. Indeed, a 2010 analysis from the Maryland Department of Planning found that 52% of developed land was zoned as either very-low density residential, or low-density residential. National analyses of zoning restrictiveness have confirmed that local zoning laws remain a barrier to affordable housing production in Maryland. A 2023 analysis by Matt Mleczko and Matthew Desmond at

the Eviction Lab ranked the Washington, D.C. metropolitan area (which includes five Maryland counties) as the metropolitan statistical area (MSA) with the most restrictive zoning out of 48 MSAs included in the study.

The predictability and consistency of permitting procedures remain a key barrier statewide

Building permits are an important regulatory tool to ensure building health and safety standards. However, limited staff capacity, lacking or outdated processing systems, and other time or resource limitations can foster residential development permit processes that are inconsistent and non-transparent. In some cases, the process of obtaining all required permits and local approvals may add months or even years to the timeline for a residential development, increasing the costs to housing development in Maryland and delaying the existing pipeline of housing projects.

Some rural jurisdictions in Maryland have not transitioned to online building permitting processes due to cost and technical capacity. Other jurisdictions, including some of the most populous areas of the state, have outdated electronic permitting systems that are unable to adequately serve local staff or developers. Stakeholder engagement with the Maryland Association of Counties and Maryland Municipal League on barriers to housing production has repeatedly emphasized the need for increased resources and staff capacity to improve overall permitting timeframes. Moreover, implementing more targeted reforms to permit processes, such as implementing expedited permit review for affordable housing developments, requires additional staff and operational capacity from already constrained departments. Fiscal constraints to implementing both large-scale and targeted reforms to local permitting processes to facilitate both more housing overall and more affordable housing remains a key barrier to housing production and preservation in Maryland.

Requirements for adequate public facilities remain a statewide barrier to housing development

The 2009 Planning Visions legislation requirement for jurisdictions to report to the state if an Adequate Public Facilities Ordinance (APFO) results in the restriction of new development has emphasized that infrastructure capacity remains a consistent, significant barrier to new residential development in high-housing-need areas across the state. School districts operating at thresholds above the state-rated capacity are a consistent barrier: between 2016-2021, Anne Arundel, Baltimore, Calvert, Frederick, Harford, Howard, and Montgomery Counties all reported housing development moratoriums in attendance areas for oversubscribed schools. Additionally, jurisdictions have reported sewer system capacity, water system capacity, roadway intersections failing transportation ratings, and police department capacity as infrastructure requirements that have prevented residential development from occurring. While statutory requirements differ statewide, generally proposed residential developments impacted by these regulations cannot move forward unless the infrastructure capacity has been improved, or unless a period of four to seven years has passed.

While jurisdictions have made significant progress on addressing pressing infrastructure needs, finding fiscal solutions to solve for adequate public infrastructure is a consistent statewide

challenge. Adapting the requirements in APFOs to mitigate the impact on residential housing development, as some jurisdictions in Maryland have already done, is another path forward to solve the pressing need for new housing development statewide. However, engaging in a process to update a jurisdiction's APFO that is data-driven and sensitive to legitimate community concerns and trade-offs is itself costly, limiting local governments' abilities to revise long-standing policy.

Limited identification of targeted implementation activities to further fair housing statewide

Local jurisdictions across Maryland have consistently adopted planning documents that express support for increasing zoning density, increasing housing access for low-income households in areas of opportunity, and otherwise furthering fair housing. However, it is rare that these planning documents are able to delve into the specifics: *which* communities would receive the most benefit from zoning reforms to increase density; *which* local processes and ordinances need adjustment; *which* land-use reforms pair best for *which* intended outcomes; etc. As in many communities across the nation, Maryland jurisdictions are supportive of pro-housing regulatory reforms in the abstract but have faced consistent political, budgetary and infrastructure hurdles to implementing specific, neighborhood-level changes.

The ongoing statewide implementation of requirements for jurisdictions to plan for low-income housing and to further fair housing, in addition to significant independent initiative at the local level to independently undertake these efforts, has laid considerable groundwork. A key remaining barrier is transforming this groundwork into a statewide blueprint that directs both affordable housing investment and local regulatory reforms.

Exhibit D: Soundness of Approach

i. What is Your Vision?

While Maryland has proactively attempted to identify and address racial and economic segregation, fundamental inequities, driven by where affordable housing is and isn't located, continue to create a bifurcated society. Out of over 3,200 counties in the country, Maryland contains some of the most affluent in the nation, most notably Howard (the 7th wealthiest by 2021 5-year median household income), Calvert (17th), and Montgomery (20th). At the same time, Maryland also contains among the most rental cost burden counties in the nation, such as Somerset (66th) and Kent (70th). Even within those affluent jurisdictions, rental cost burden matches or exceeds the national average. These disparities reflect the lack of opportunity that is afforded to low-resource households, thereby denying them access to the educational, employment, and recreational opportunities that these high-resource communities provide.

Fundamentally, these inequities stem in part from land use practices that are in conflict with commitments to affirmatively furthering fair housing. Addressing the magnitude of the problem, however, requires a multi-pronged, multi-phased approach. Accordingly, we are proposing statewide and local components of our application. In concert, these two arms of the present application seek to both identify and reduce impediments to fair housing.

Statewide Components

At the state level, DHCD currently lacks the capacity and resources required to identify, quantify, and remedy impediments to fair housing. While Maryland DHCD can anecdotally determine that a certain community, jurisdiction, or neighborhood has exclusionary practices, it does not have the tools necessary to systematically analyze land use controls to pinpoint where these issues are most prominent. Additionally, we lack the ability to compare progress on addressing impediments to both fair housing and new housing construction across jurisdictions. Without standardized metrics to measure progress, Maryland policymakers and planners are unable to compare apples to apples when setting targets that impact multiple jurisdictions.

Activity 1: Statewide Fair Housing Analysis

To address the multitude of land use issues identified in this application, the State must be able to speak to the issue from a data-driven perspective. Although Maryland law requires jurisdictions to report to the State the number of building permits issued each year, that is only a limited data set from which we can draw few conclusions from. Taking the issue a step further in defining how land use controls suppress new housing construction, in particular affordable housing, requires a more intensive data gathering process than the State currently has the resources for.

Therefore, DHCD proposes as its first proposed activity under this grant to conduct a detailed, on-going analysis of impediments to fair housing, focusing on land use controls and its association with both concentrations of inequities and suppressed affordable housing construction. Carried out by a consultant under the supervision of DHCD, and with input from

the Maryland Department of Planning, this analysis will contain several different components. First, Maryland will replicate the National Zoning Atlas project, modeled off of the project's application in Connecticut. In the Connecticut Zoning Atlas, the project's developers went beyond simply identifying what areas are residential versus non-residential. They broke the zones down by the number of units permitted (1, 2, 3, 4+), if they are permitted by right or after a public hearing, and the minimum lot size required to build those units. They also include an entire section on accessory dwelling units, encompassing where they are allowed (again by right or public hearing), occupancy requirements, and physical requirements. This detail allows the viewer to understand what parts of the state are most restrictive versus permissive of new multi-family construction, which is often the bedrock of affordable housing.

While the minute details of lot sizes and by right allowances are critically important for both the State and researchers to analyze, they are not very easy for the general public to understand. Therefore, the second component of this analysis is the Eviction Lab's Zoning Restrictiveness Index. According to their 2023 paper in *Urban Studies* on their construction of the National Zoning and Land Use Database, the researchers utilized a variety of different metrics, such as minimum lot sizes, approval authorities, and maximum permitted density, to formulate a restrictiveness index score for each municipality studied. This one through five score, with five being most restrictive, creates an easy-to-understand rating of zoning restrictiveness in Maryland. As highlighted above, the Washington, D.C. metropolitan statistical area was rated most highly restrictive by this index. But, by the researchers' own admission, their database contains only a fraction of all municipalities in each region. This proposal would fill that gap by including data from all jurisdictions in Maryland and making both the map and underlying data publicly available.

The third component of this analysis is a detailed analysis of permitting processes and the associated normal timelines for these processes. Consolidating permitting timeline information is an important first step that will make it possible to identify bottlenecks, capacity limitations, processes that are resulting in serious development delays, and opportunities for streamlining and reform. For example, understanding how long the entire process takes from an initial application for a pre-development permit, such as grading, to receiving a final building permit will shed light on jurisdictions that have barriers, albeit mostly unintentional, to speedy new construction. While a complete account of every process in every jurisdiction would be ideal, a more targeted analysis approach (one that examines a selection of the most common processes that vary greatly across jurisdictions and are frequent sources of delay) may be a sufficient starting point and could be accomplished in a reasonable amount of time.

The fourth component of this analysis will consist of showing the interaction between zoning and segregation via the use of census-tract-level data concerning racial, ethnic, and income. Juxtaposing demographic data with zoning districts will help to illuminate potential associations

and enable data-driven decisionmaking around zoning reforms. The fifth component of this analysis will examine the distribution of housing cost burdens for households with persons with disabilities, families with children, and different race/ethnicity demographics. Using Census's public use microdata samples should be sufficient to reveal regional variations, even if they don't drill down to the level of municipality or zoning district.

The sixth and final component of this analysis will analyze Communities of Opportunity at the census block level. Currently, Maryland DHCD maintains a Communities of Opportunity mapping tool for the purposes of awarding points for the low-income housing tax credit application process, but this tool is limited to the census tract level. As with the segregation analysis, drilling down to the census block level allows for more rigorous statistical analyses between zoning districts and communities of opportunity.

Taken together, these six levels of analysis will enable data-driven policymaking and reforms that affirmatively further fair housing in Maryland. Statistical analyses will serve to highlight which areas of the state are most in need of action. They will also create a level of accountability for individual jurisdictions. For example, demonstrating an empirical relationship between restrictive zoning and racial and/or economic segregation in Maryland communities will facilitate focused discussions concerning specific areas in need of rezoning as opposed to stale and gridlocked debates about the merits of rezoning in the abstract.

To present this data, in addition to a prepared report, this proposal envisions tying all of six analyses together into a publicly available mapping tool and making the individual datasets publicly available for download. By layering each of these different analyses within the same mapping tool, the public will be able to understand the interplay between the data points discussed in this application. Where visually appropriate, this tool would also include as layers some of the statistical analysis to better demonstrate which parts of the state may warrant the greatest attention.

The intent of developing these datasets is multifold. As discussed above, these analyses are needed for Marylanders to engage in productive conversations about specific zoning reforms. These analyses will also allow Maryland and the individual entitlement jurisdictions to better adhere to the proposed HUD rule on affirmatively furthering fair housing. While the prior analyses of individual jurisdictions were useful starting points for developing equity plans, given the scale of the changes that the new proposed rule includes, jurisdictions will require substantial, new data collection to satisfy these new requirements. As this proposed statewide fair housing analysis will include some data down the census block and zoning district levels, jurisdictions will be able to pull the data to inform their own equity plan development. Furthermore, these analyses will form the basis of the remaining action taken through this grant. As outlined below, with guidance and technical assistance from the Maryland Department of

Planning, HUD-defined priority jurisdictions will be funded to make changes to their land use controls to address the issues identified through these analyses.

As the ultimate goal of this activity is to increase the supply and availability of affordable housing, this activity ties back to the national objective of benefiting low- and moderate-income persons. Beyond just generally attempting to identify impediments to new construction of affordable housing units, this activity is specifically examining how high-resource communities' land use policies inhibit the construction of housing that can be accessed by low- and moderate-income persons. With respect to this being an eligible activity for this grant, this activity identifies numerous land use barriers to affordable housing production, with the aim informing actions that will ultimately remove them. This activity will also inform jurisdictional activities that "further develop, evaluate, and implement housing policy plans" and "improve housing strategies." This activity is expected to commence in year 1 and complete in year 2.

Activity 2: Model Ordinance Development and Intensive Technical Assistance

The six levels of analysis detailed above are ultimately intended to help local jurisdictions trace housing development shortfalls back to specific zoning decisions and to enable an understanding of how the cumulative effect of land use decisions is hindering supply-side strategies to address the housing crisis. Jurisdictions will still need to undertake reforms for these analyses to lead to the construction of new affordable housing units. However, local governments often lack the time and resources needed to undertake ambitious land use reforms. And in many smaller or rural jurisdictions, they may not have enough staff with the expertise necessary for these efforts. To aid these jurisdictions, the Maryland Department of Planning (MDP) will develop a series of model ordinances and zoning code changes covering a variety of different "pro-housing" reforms. These models would include: allowing accessory dwelling units by right; "missing middle" housing in single-family districts; bonus density for affordable housing construction; inclusionary zoning; reducing height, set-back, and parking restrictions; and reducing minimum lot sizes.

On top of supplying jurisdictions with these models, MDP will provide technical assistance to local jurisdictions support these reforms, including by amending their comprehensive plans and adequate public facility ordinances. This activity fits into MDP's mandate to offer data, analysis, research and policy development assistance, and implementation support to local governments. Simply offering jurisdictions model ordinances is not enough to ensure their enactment. These ordinances also interplay with other sections of their local code, comprehensive planning, adequate public facility ordinances, and general long-term planning. Jurisdictions must update all of these components in concert to achieve the intended outcomes. MDP will provide jurisdictions with the needed expertise and guidance to know when and how to update these respective documents.

In providing these model ordinances and guidance to jurisdictions, MDP will draw from the results of the fair housing analysis to determine where particular interventions are most needed and effective. A zoning district with a diverse range of housing types consisting of a mixed-income and multi-racial community may not warrant changes to their zoning codes. Other zones, by contrast, may have highly restrictive zoning codes that have led to a concentration of wealth and a particular racial profile. By having this data to turn to, MDP can effectively make the argument to local jurisdictions that changes are required to their land use processes. Furthermore, these results will also allow MDP to better target its outreach to jurisdictions that have the highest need for zoning and other land use changes. Working in concert, these two activities can proactively address the housing supply crunch to which restrictive land use controls have contributed.

As with the fair housing analysis, the intent of creating model ordinances is to create specific pathways for increasing the supply of housing affordable to low- and moderate-income households. Therefore this activity is in line with the national objective of benefiting low- and moderate-income persons. Furthermore, since this activity is tied to the results of the fair housing analysis, a key goal is increasing affordable housing supply in communities that are highly resourced but that provide limited opportunities for low-income households to access those resources. Therefore, the present proposal seeks not only to increase the supply of affordable housing but also aims to do so in areas of opportunity.

Local Component

Although the state has considerable power to incentivize pro-housing reforms and to direct the construction of affordable housing in Maryland, land use authority ultimately rests with local governments. They are responsible for implementing their own comprehensive plans, zoning codes, adequate public facility ordinances, and permitting processes. Collectively these local actions determine where and what type of new housing is allowed in their jurisdiction. As has been demonstrated in the need section of this application, specific projects funded by the Department of Housing and Community Development can either be delayed or put indefinitely on hold due to either zoning restrictions, i.e., the lack of a special exemption waiver, or permitting challenges.

Activity 3: Funding for Local Governments to Update Zoning and Permitting Processes

The final activity envisioned in this proposal is where the rubber meets the road. To execute on the recommendations that come out of the fair housing analysis, and guided by the tools that MPD develops, local jurisdictions will be funded to update their zoning documents and develop expedited permitting review processes for affordable housing development. This funding will be restricted to only those jurisdictions that are considered priority jurisdictions - the 7 counties and 63 municipalities identified as priority jurisdictions in Maryland by HUD. Census designated

places identified as priority geographies by HUD are not eligible to apply for funding, as the areas themselves lack zoning and permitting authority to implement regulatory reforms.

Funding will be offered competitively to jurisdictions planning on undertaking reforms to their zoning policies and/or affordable housing permitting processes. The funding awarded to jurisdictions will be dependent upon the need for the reforms, as demonstrated by the fair housing analysis, and the scale of the reforms being undertaken. Furthermore, funding will be restricted to zoning updates that lead to a net upzoning and permitting reforms that focus on affordable housing developments. To ensure this, we will use a performance-based contract, where reimbursements will be executed on a activity-basis, as opposed purely a time and expense basis. In other words, jurisdictions will only be reimbursed once they've demonstrated that they've completed the activity of either upzoning or creation of an expedited permitting process. By withholding reimbursement until activity completion, this ensures that the Department is not inadvertently funding a process that ultimately leads to downzoning or the addition of more barriers to the permitting process.

Given the breadth of different jurisdictions in this pool of priority jurisdictions, the makeup of the reforms undertaken will differ by jurisdiction. The urban counties and some municipalities included in the list of priority jurisdictions already have moved their permitting processes to an online system. The rural counties and smaller municipalities, however, are mostly still paper-based, and paper-based processes are inherently slower and less transparent. Similarly, there are a variety of different stages of zoning reform being undertaken in the range of priority jurisdictions in Maryland. Some jurisdictions, such as Montgomery and Anne Arundel counties, have already proposed and are actively undertaking pro-housing zoning reforms. Under the framework envisioned by the present proposal, these jurisdictions may opt to undertake even more ambitious reforms and would therefore require funding to do so. Other jurisdictions may only be willing to move the needle slightly, such as allowing accessory dwelling units by right. Due to these variations, flexibility will be required for allocating funding for efforts across the different jurisdictional contexts

With a direct impact on where housing is built, how much housing is built, and how quickly it's built, these changes will also have the ultimate impact of meeting the national objective of benefitting low- and moderate-income persons. DHCD will prioritize funding for reform efforts that remove barriers to increasing housing density in areas that are highly resourced but that have few affordable housing opportunities.

As defined in the needs section, land use issues in Maryland are a key inhibitor to new housing development, in particular affordable housing. Regardless of how much money is invested in new affordable housing production, project costs (which can be severely impacted by uncertainties and delays in the permitting process) and zoning policies limit where that housing

can be located. In those jurisdictions that only allow multi-unit housing types in the less advantaged parts of their community, low-cost housing will inevitably be concentrated in those less advantaged areas. While this can be beneficial from a community revitalization perspective, it further engrains economic and racial segregation. Even with federal and state subsidies, the rising cost of housing construction limits the number of new affordable housing units that can currently be built. Creating more and better site selection options via zoning reforms and reducing permitting timelines can offset some of these increased costs and accelerate affordable housing construction.

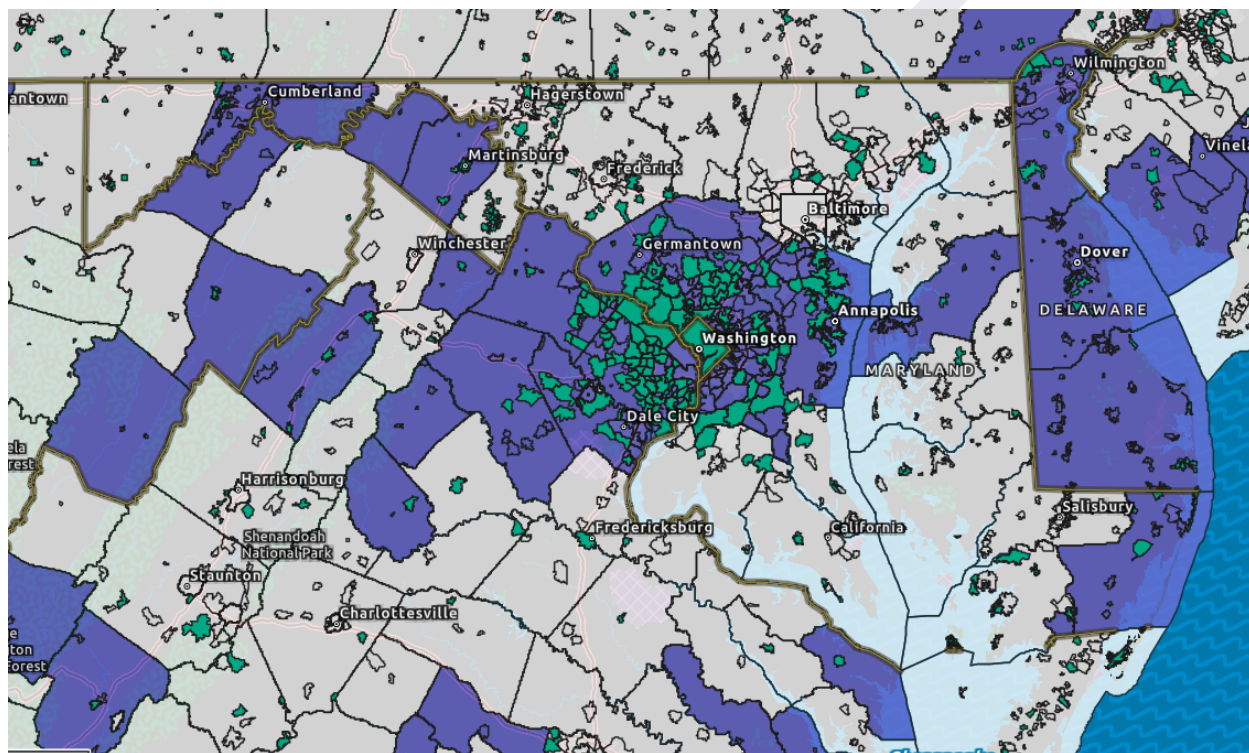
Maryland of course is not the only jurisdiction to pursue statewide land use reforms. In recent years, several states, such as Oregon, California, Florida, and Massachusetts, have passed statewide preemptions of local land use controls, most often related to zoning. Given the recentness of these changes, research is currently very limited on their long-term impact and effectiveness. Analyses of California's and Oregon's recent zoning reforms to permit multi-unit construction on all single-family lots have thus far demonstrated muted results. This, however, is to be expected. In both jurisdictions, their respective bills only recently came into force. Existing homeowners are unlikely to clamor to add more units to their property as most bought single-family homes specifically because they are single-unit homes. Only as properties turn-over and builders purchase them will new units be added to the housing stock. Furthermore, in both jurisdictions where housing supply is most stretched, there are limited greenfield sites to build new housing. That lack of greenfield is precisely what has driven, in part, the housing crisis. It will primarily require the demolition of existing properties, as opposed to adding new units to them, that will lead to these bills having a greater impact. To demonstrate the impact of these reforms, however, a 2021 analysis undertaken by the Turner Center at the University of California Berkeley estimated that California's recent reforms have the potential to lead to the creation of 700,000 new housing units. Moreover, a series of bills in California that limited local jurisdiction's abilities to deny and place restrictions on accessory dwelling had clear results: the number of new ADUs constructed statewide increased from about a thousand in 2016 to over twenty thousand in 2021.

In contrast to the preemption approaches undertaken by the states discussed above, the present proposal reflects an "opt in" strategy that creates tools and offers resources to priority areas through a targeted and data-driven approach. The opt-in approach will reduce the propensity for backlash and enable jurisdictions to either experiment with new incremental reforms or to substantially accelerate reform efforts that are already underway. Situating these tools and supports within the context of a broader statewide framework for affirmatively furthering fair housing further creates the objective benchmarks and sets normative expectations for the overall direction of housing policy in Maryland, thus creating a combination of carrots and sticks that provide political cover for local leaders to explore alternatives to the status quo.

ii. What is your geographic scope?

As explained above, our proposal contains a statewide component and a local implementation component. The design of this proposal is anticipated to maximize the benefit of the funding award to the entire state of Maryland by creating a roadmap to affirmatively further fair housing statewide and providing the technical assistance to implement zoning reforms. At the same time, the majority of any awarded PRO Housing funds will be invested directly in the 7 counties and 63 municipalities defined as priority geographies by HUD (see Fig. 1 below).

Figure 1: Priority geographies in Maryland.



Source: HUD GIS Helpdesk

The priority geographies in Maryland range from the densely populated, high-income Washington, D.C. suburbs of Montgomery, Prince George's, Howard, and Anne Arundel counties to more rural areas such as Allegany County in western Maryland and Queen Anne's and Worcester counties on the Eastern Shore. The 63 municipalities defined as priority geographies are largely concentrated within the priority counties of the Washington, D.C. metropolitan area, but also include a wide, diverse range of small-to-medium-sized municipalities across the state, from Frostburg in Allegany County to the Chesapeake Bay communities of Deal Island and Smith Island on the Eastern Shore. As discussed above, these jurisdictions will be the primary beneficiaries of our proposal.

As explained above, Maryland's affordable housing crisis is largely a supply-side issue. The present proposal aims to both affirmatively further fair housing statewide and also clear pathways and remove impediments to the construction of more affordable housing units in Maryland's priority geographies. This proposal would provide priority jurisdictions with the funding needed to study local barriers and impediments to affordable housing and amend local zoning codes and practices to remove or lessen the effects of those barriers. Ultimately, the intended end result is the construction of more affordable housing units in those jurisdictions, which will expand opportunity for underserved communities, particularly in high-opportunity areas.

iii. Who are your key stakeholders? How are you engaging them?

Participation by local jurisdictions and other stakeholders, including members of the general public, has been crucial in shaping Maryland's housing priorities. In developing this proposal, the Department of Housing and Community Development has held meetings and discussions with representatives of several of the priority jurisdictions identified by HUD and their respective housing and/or planning agencies. Several of those jurisdictions, including Prince George's, Montgomery, Worcester, Allegany, and Anne Arundel counties, have attached letters of support to our application. The Department has also held discussions with the Metropolitan Washington Council of Governments (MWCOC), which is also an applicant for the PRO Housing Grant, and whose geography includes jurisdictions in the Maryland D.C. metro area. The Department and MWCOC agreed to show mutual support for each other's applications.

DHCD also engaged with the National Center for Smart Growth, which has undertaken much of the housing needs analysis for the state, on this application. The National Center for Smart Growth has provided a letter of support in partnership with the State's approach.

As a part of the fair housing analysis, DHCD intends to continue these engagements with local governments and regional planning organizations. The results of the fair housing analysis will inform not just the State's fair housing efforts more broadly, but they will have the specific effect of informing our and other jurisdiction's Equity Plans.

Under the State of Maryland's Consolidated Plan, DHCD has also engaged in a Citizen Participation Plan. The Department intends to engage in similar activities for the implementation of this proposal, including the active involvement of advocacy groups for the homeless, elderly, and people with disabilities; continuums of care; other state departments and agencies; public housing authorities; housing developers; banks and other lenders; members of the real estate industry; and the general public, including those with a general interest in affordable housing and community development. As required by HUD, this narrative will be available to the public for at least 15 days before the grant application is submitted.

iv. How does your proposal align with requirements to affirmatively further fair housing?

Maryland is one of the most racially diverse states in the nation, and many of its priority geographies identified by HUD fit that description. The two largest individual priority jurisdictions, Montgomery and Prince George’s counties, which together comprise about one-third of the state’s population, are particularly diverse, as shown below (the more rural, lower-population priority counties of Allegany and Worcester, along with statewide census numbers, are also shown for reference/comparison).

County	Total Population (2020 Census)	% Black/African -American*	% Asian*	% Hispanic or Latino	% Other non-white or 2 or more races*
Montgomery	1,062,061	18.1	15.3	20.5	5.4
Prince George’s	967,201	59.1	4.3	21.2	4.0
Allegany	68,106	7.8	1.1	1.7	4.4
Worcester	52,460	11.8	1.4	4.0	4.0
State of Maryland	6,177,224	29.1	6.8	11.8	5.2

* Not including Hispanic or Latino

Source: U.S. Census Bureau

DHCD has devoted significant efforts to affirmatively further fair housing in the state, including, at the request of the state legislature, commissioning a study in 2021 on racial disparities in Maryland’s housing market. The findings of that study show major disparities in characteristics such as homeownership and housing cost burden, which this proposal is anticipated to help mitigate. For example, in 2020, 78.5% of White households in the state were homeowners, compared to only 52.6% of Black households and 55% of Hispanic/Latino households. Black and Hispanic mortgage applicants were denied at significantly higher rates than white applicants. These numbers stem from the state’s legacy of redlining, racialized zoning, and restrictive covenants. Lower average incomes in Black and Hispanic communities also contribute to the “homeownership gap,” as well as the racial disparity among housing-cost-burdened residents. Returning to the example of Montgomery County, a populous, highly diverse priority geography in the Washington, D.C. suburbs, a significant racial housing gap is quite apparent. While 35% of all county households are renters, 58% of Black households and 45% of Latino households in Montgomery County rent. Those groups are also significantly more likely to be rent-burdened than their white counterparts.

For priority geographies, our proposal offers funding for those jurisdictions to remove barriers to affordable housing by, for example, amending zoning codes with more inclusionary, less restrictive policies, as well as policies that focus on deconcentration of poverty and ameliorating the *de facto* segregation that exists in many areas. In order to qualify for funding, a jurisdiction would need to set forth a detailed plan of how it will achieve these goals. Reforming the process for permitting, specifically for affordable housing, is another activity that would qualify local jurisdictions for funding under our proposal. As explained above, lengthy and complicated permitting processes in some jurisdictions across the state have posed a significant challenge to the construction of much-needed affordable housing. Helping local jurisdictions to remove or lower this barrier will contribute to affirmatively furthering fair housing by increasing affordable housing options in communities of opportunity.

As DHCD intends to restrict reimbursement to subgrantees for costs incurred reforming zoning and permitting practices until after they have undertaken those reforms, only activities that affirmatively further fair housing will be funded and reimbursed. The sub-granting agreement will clearly outline what actions the jurisdiction must take to receive reimbursement, mitigating the risk that jurisdictions will not undertake reforms if new hurdles to implementation occur.

Through the statewide fair housing analysis and associated mapping, DHCD is creating a longitudinal metric to measure progress on removing impediments to fair housing and their impact on desegregation and poverty deconcentration. Developed and maintained through this grant, DHCD intends to continue updating the mapping product after the grant period ends. This will require increased appropriations, but once the initial investment has been made, it will be easier to make the argument to fund the continuation of the product as opposed to the development of a brand new one. In doing so, DHCD can track over time the impact of the zoning and permitting reforms on promoting desegregation and advancing racial equity.

v. What are your budget and timeline proposals?

Budget:

<i>DHCD SUMMARY BUDGET</i>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Dates	1/1/24 - 9/30/24	10/1/24 - 9/30/25	10/1/25 - 9/30/26	10/1/26 - 9/30/27	10/1/27 - 9/30/28	10/1/28 - 9/30/29	
Personnel	\$ -	\$ -	\$ 76,408	\$ 79,770	\$ 83,280	\$ 86,944	\$ 326,402
Fringe Benefits	\$ -	\$ -	\$ 36,725	\$ 38,388	\$ 41,131	\$ 43,214	\$ 159,458
Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment	\$ -	\$ -	\$ 6,614	\$ -	\$ -	\$ -	\$ 6,614
Supplies and Materials	\$ -	\$ -	\$ 811	\$ 1,092	\$ 1,103	\$ 1,114	\$ 4,120
Consultants (Total)	\$ 75,000	\$ 125,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 300,000
---Fair Housing Analysis	\$ 75,000	\$ 125,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 300,000
Contracts and Sub-Grantees (Total)	\$ 282,516	\$ 282,516	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 8,565,032
---Maryland Department of Planning	\$ 282,516	\$ 282,516	\$ -	\$ -	\$ -	\$ -	\$ 565,032
---Local Governments	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 8,000,000
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Direct Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Indirect Costs (87.81% of Salaries & Fringe)	\$ -	\$ -	\$ 99,342	\$ 103,755	\$ 109,245	\$ 114,292	\$ 426,634
Total	\$ 357,516	\$ 407,516	\$ 2,244,900	\$ 2,248,005	\$ 2,259,759	\$ 2,270,564	\$ 9,788,260

Personnel

DHCD is requesting one Project Manager position to administer the subgrants to local jurisdictions. As the grants to local jurisdictions begin in year three, the Project Manager position will also start in year three. This position will also have the responsibility of taking over the general grant management of the PRO Housing grant. The total cost over four years for this position is \$326,402.

Fringe Benefits

The fringe benefits included are to support the Project Manager position. They include FICA, retirement contributions, and health insurance. The total cost over four years for this position's fringe is \$159,458.

Travel

DHCD is not requesting any travel funds.

Equipment

Funds are included to cover the initial, basic equipment costs for the Project Manager position, inclusive of a computer, monitors, computer accessories, phones, and iPad. This is a one-time cost of \$6,614. This is the standard cost that the MD Department of Budget and Management calculates as the average cost of equipment needed to support a position across departments.

Supplies and Materials

DHCD is requesting \$4,120 in standard annual supplies and materials costs for the hired employee.

Consultants

DHCD is requesting funding for a consultant to undertake the fair housing analysis outlined in activity one. This consultant would be responsible for conducting data analysis, engagement with the Department and members of the broader housing community, and, in coordination with both DHCD and MDP, the development of the publicly-available mapping product. The estimated cost of the consultant is based off of the recently completed *Maryland Housing Needs Assessment & 10-Year Strategic Plan*. The work involved in developing that plan is very similar to what is being proposed here. After the completion of the initial analysis in years 1 and 2, costing \$200,000, \$25,000 in additional funds are budgeted for each of the out years to cover annual updates to the underlying data and associated mapping product.

Contracts and Sub-Grantees

The bulk of the funding request will be distributed as subgrants to the Maryland Department of Planning and local governments.

MDP Request	Year 1	Year 2	Total
Dates	1/1/24 - 12/30/24	1/1/25 - 12/30/25	
Personnel	\$ 84,494	\$ 84,494	\$ 168,988
Fringe Benefits	\$ 38,022	\$ 38,022	\$ 76,044
Travel	\$ 9,000	\$ 9,000	\$ 18,000
Equipment	\$ -	\$ -	\$ -
Supplies and Materials	\$ 1,000	\$ 1,000	\$ 2,000
Consultants (Total)	\$ 150,000	\$ 150,000	\$ 300,000
---Model Ordinance Development	\$ 150,000	\$ 150,000	\$ 300,000
Contracts and Sub-Grantees	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -
Other Direct Costs	\$ -	\$ -	\$ -
Indirect Costs (Not Requested)	\$ -	\$ -	\$ -
Total	\$ 282,516	\$ 282,516	\$ 565,032

MDP is requesting \$245,032 in salary and fringe to hire one staff member in years 1 and 2 to coordinate grant activities, support the development of the mapping tool, and assist in developing the technical assistance package. This position is expected to meet with local government partners throughout the state and therefore MDP is requesting a total of \$18,000 for travel. \$2,000 is being requested for supplies and materials to support this position. Additionally, MDP is requesting \$300,000 in funding for a consultant to assist in developing its suite of model ordinances.

In years 3-6, DHCD is requesting \$2 million a year in funding to make subgrants to local governments to reform their land use documents and permitting processes. Given the variable nature of the reforms that jurisdictions are likely to undertake, we expect a wide range in award amounts. To ensure a broad number of jurisdictions are served, we will cap awards at \$500,000 for counties and \$250,000 for municipalities. Assuming that all 7 priority counties apply for funding and receive the maximum, that would still enable 18 municipalities to receive the maximum award. Our intent, however, is not to award all jurisdictions the maximum funding available. Therefore, we expect the total number of municipalities served to be more than 18.

Construction

DHCD is not requesting any construction funds.

Other Direct Costs

DHCD is not requesting any other direct costs.

Indirect Costs

Per DHCD's negotiated indirect cost rate agreement (NICRA), DHCD is charging an 87.81% indirect cost rate on total salaries and fringe benefits. Therefore indirect costs are only accrued in years 3-6 when DHCD is requesting funds to support a new position. The total indirect costs are \$426,634.

Impact of a Reduction in Budget

With nearly 90% of our award request concentrated in Activity 3, the subgrants to local governments, a reduction in our budget would primarily reduce the money available for implementation. In addition to reducing the money available to subgrant out, DHCD would also reduce the full-time equivalency of the requested position to manage those subgrants. While managing this activity couldn't be completely subsumed into existing staff functions, with a smaller pool of funding to manage, the level of effort associated with the activity would be reduced.

To account for the reduction in the budget available for Activity 3, we would limit eligibility to access these funds only to those jurisdictions that show the greatest need of intervention as a result of the fair housing analysis. The prioritization methodology that HUD provided highlights which jurisdictions are in the greatest need of new affordable housing development. However, the solution to that problem is not zoning and permitting reform in all of those jurisdictions. A priority jurisdiction may be suffering from a depressed housing market and therefore increasing zoning will not address their underlying issues. While we intend to include these nuances as factors in awarding funding to jurisdictions, we have not originally envisioned those factors making a jurisdiction ineligible for funding. A reduction of funding would change our calculus and force us to limit our funding to only those jurisdictions where zoning and permitting reform would have the greatest impact. The objective results of our fair housing analysis would determine which priority jurisdictions would be eligible for funding.

The minimum funding amount to carry out this proposal would be approximately \$1 million to fund Activities 1 and 2. These two activities are what will drive the conversation on land use reform in Maryland. If funded, DHCD can collaborate with jurisdictions to reform their land use controls through the objective results of these analyses. Additionally, Activity 2 would still be providing jurisdictions with a "solution" to their restrictive zoning codes in the form of model ordinances and technical assistance, they just wouldn't be receiving funding to execute on those changes. Furthermore, updates to zoning codes, comprehensive plans, and adequate public facility ordinances are natural occurrences and in the case of comprehensive plans, must be updated every 10 years under state law. When those updates are slated to occur naturally, the results of the statewide housing analysis can inform what updates should occur in that jurisdiction, pulling from the model ordinances and technical assistance provided by MDP.

The intent of Activity 3 is to incentivize and speed up those changes. Eliminating funding for Activity 3 would not prevent jurisdictions from undertaking pro-housing zoning reforms, it would just potentially limit the number of jurisdictions who do and increase the time horizon of those reforms. Having the fair housing analysis completed, however, will demonstrate to jurisdictions that are already interested in zoning reforms what precisely they need to change and how to do so. Therefore, we believe we could still achieve the broad objectives of this grant with

only a \$1 million award, it just may have a more muted impact and take additional time. Notably the leverage that we've allocated for this project is entirely concentrated in Activities 1 and 2. In the event of an award of only \$1 million, our leverage would be over 40% of the grant award.

Timeline:

<u>Timeline</u>	Start Date	End Date
<u>Activity 1</u>		
-Contracting Processes	1/1/2024	3/31/2024
-Fair Housing Analysis	4/1/2024	12/31/2024
-Fair Housing Mapping	1/1/2025	9/30/2025
<u>Activity 2</u>		
-Model Ordinance Development	1/1/2024	9/30/2025
-Technical Assistance to Local Governments	10/1/2025	9/30/2029
<u>Activity 3</u>		
-Issue First RfP for Subgrants	6/1/2025	N/A
-Award First Round of Funds	10/1/2025	N/A
-First Awardees Expend Funds	10/1/2025	9/30/2026
-Issue Second RfP for Subgrants	6/1/2026	N/A
-Award Second Round of Funds	10/1/2026	N/A
-Second Awardees Expend Funds	10/1/2026	9/30/2027
-Issue Third RfP for Subgrants	6/1/2027	N/A
-Award Third Round of Funds	10/1/2027	N/A
-Third Awardees Expend Funds	10/1/2027	9/29/2028
-Issue Fourth RfP for Subgrants	6/1/2028	N/A
-Award Fourth Round of Funds	9/30/2028	N/A
-Fourth Awardees Expend Funds	9/30/2028	9/29/2029

Exhibit E: Capacity

i. What capacity do you and your Partner(s) have? What is your staffing plan?

The Maryland Department of Housing and Community Development (DHCD) has extensive experience managing federal grants, distributing subgrants to local jurisdictions, and generally managing substantial funds. DHCD is an expansive agency that covers a variety of different activities. DHCD's current budget for fiscal year 2024 is over \$845 million, \$500 million of which is in direct federal funds. At the height of the pandemic, in fiscal years 2021 and 2022, the Department's budget was over \$1.1 billion, with nearly \$1 billion in federal funds. On top of its annual appropriation, DHCD currently actively manages \$5.1 billion dollars in single-family home loans, multi-family construction grants, tax credits and loans, and a variety of other grants and loans to small businesses, local governments, non-profits, and individuals. DHCD has a staff of approximately 450 people.

The Department is split into two main programmatic arms - the Community Development Administration (CDA) and the Division of Neighborhood Revitalization (NR). CDA serves as the housing finance agency for Maryland, in addition to overseeing the state's small business lending, home energy financing, and broadband development. NR manages the state's "traditional" community development programs, including grants to revitalize communities, funding for main street communities, homeless solutions programs, and funding for strategic pre-development site work. The Department also has a variety of different supportive divisions, including the Division of Credit Assurance, which conducts oversight of and compliance for all loans issued by the Department and properties funded by the Department, the Division of Finance and Administration, and the Division of Policy, Strategy, and Research.

As this proposal includes multiple activities spread across two different agencies, the overall project will be led by the Division of Policy, Strategy, and Research (DPSR). As a division with a purview encompassing the entire Department, DPSR is best suited to manage the strategic direction of the grant. Staff members of DPSR have combined decades of experience managing grants, both federal and non-federal, and complex projects. Additionally, the main analytic activity of the grant will be handled by DPSR.

Activity 1, the statewide fair housing analysis, will be managed by the Office of Research and Compliance (ORC) in DPSR. ORC supports the DHCD's mission by providing timely and accurate analysis of Maryland housing industry and community development issues. To achieve its mission, the Office develops and maintains state-of-the-art database applications with broad housing, economic, demographic and DHCD programmatic datasets as well as indices used for analysis for the Governor's Office, Office of the Secretary, Academia and to external stakeholders at-large. ORC is involved in all aspects of reporting requirements from data collection to calculating economic indices, economic impact analysis, survey design and application as well as the preparation and management of the Maryland Consolidated Plan, Annual Action Plan, Consolidated Annual Performance and Evaluation Report and Department's

annual Managing for Results document. The Office also reviews and prepares Certifications of Consistency for local governments and nonprofits when they apply for HUD funds and manages Project/Work Contracts between DHCD and external Consultants/Contractors.

This Office has managed numerous research projects and analyses, including the recent *Maryland Housing Needs Assessment & 10-Year Strategic Plan*, which was a multi-year effort involving feedback from community partners throughout the state. The proposed fair housing analysis will be similar in scope and the level of effort devoted to the project. Existing staff will coordinate with the hired consultant to execute this activity.

Activity 2, the development of zoning model ordinances and the provision of technical assistance, will be undertaken by the Maryland Department of Planning (MDP). A smaller department than DHCD, with a staff of roughly 140 people, MDP has an annual budget of \$50 million, \$1.3 million of which is in federal funds. MDP is also broken down into two programmatic divisions - the Division of Historical and Cultural Programs and the Planning Services Division. The latter of those two divisions will be responsible for executing this activity. Among the division's many activities, it includes MDP's local assistance, education, and training programming. Through these activities, MDP provides direct planning assistance to rural jurisdictions in Maryland. These smaller jurisdictions rely extensively on MDP's expertise for their planning and land use needs. The Planning Services Division also provides guidance to all jurisdictions on state requirements, such as the implementation of HB90, Maryland's fair housing land use law, discussed previously.

Although our program is dependent upon MDP to execute this activity, we do not foresee or would expect MDP to drop out of this program. Providing technical assistance and guidance to local jurisdictions is a core function of MDP. They already provide this service to local jurisdictions, they just lack the capacity to provide more detailed technical assistance. To support those activities, MDP will hire a housing planning liaison. In year 1 of the grant, this position will aid DHCD's outreach and stakeholder engagement efforts in support of the statewide analysis of impediments. In this role, the position will also communicate and enhance MDP's still developing guidance for counties and municipalities that must include an analysis of fair housing in their comprehensive plans, as required in Maryland law as of January 1, 2023. The zoning reform resources to be developed with this grant shall be informed by Maryland's comprehensive planning requirements, and the Liaison will be responsible for establishing and building upon that connection. This position will also support the Local Assistance and Training Manager's (LAT Manager) management of the model ordinance vendor (described below). The Liaison will also coordinate the work of the vendor and the DHCD/MDP development of the zoning restrictiveness mapping tool with the statewide analysis of impediments to ensure that the products to be developed in year 2 of the grant period align and support one another.

In year 2 of the grant, this position will work closely with the vendor and LAT Manager to complete a suite of housing reform model ordinances (e.g. Accessory Dwelling Units, Missing Middle Housing, Inclusionary Zoning). These ordinances shall be Maryland specific and informed by the statewide analysis of impediments and zoning restrictiveness mapping tool. The Liaison will continue its coordination with DHCD, including any remaining outreach or stakeholder engagement and provide feedback on DHCD grant deliverables as needed. During year two, the Liaison will also support DHCD's development of housing reform grant funding and craft outreach and communication materials, as well as a delivery work plan, for grant developed resources.

MDP will also use the services of a contracted vendor to develop a suite of housing zoning reform model ordinances that Maryland jurisdictions can use to update local ordinances that increase the supply and accessibility of affordable and fair housing. In addition to model ordinance development, the vendor will be required to engage with the hired Liaison, Local Assistance and Training Manager, and other MDP staff, as well as any DHCD vendor or staff, throughout the two years of the contract. This will include all efforts in support of the statewide analysis of impediments and development of the zoning restrictiveness mapping tool. The vendor shall create five Maryland specific model ordinances that are informed by, reference, and build upon the analysis and mapping tool.

Activity 3, subgrants to local governments for zoning and permitting reform, will be overseen by the Office of Community Development Programs within NR. This office will also be responsible for general grant management of the project writ large. To support the management of this grant and the subgranting specifically, we are requesting funding through this grant for one project manager position. This office is uniquely suited to manage this grant, as they have been administering federal Community Development Block Grant (CDBG) funds since the State's program began in 1987. Since that time, staff have also administered other HUD grants including the Neighborhood Stabilization Program, CDBG COVID Program and the CDBG Disaster Program. In total, DHCD has awarded and managed over \$400 million of HUD funds from these programs.

Between them, our staff of eight has over 80 years of CDBG experience. Staff function as both project managers and compliance specialists. The programs distribute federal funds to subgrantees for eligible activities. Our staff works with the subgrantees to manage their grants and to comply with all applicable federal and state policies and regulations. Staff are trained in all aspects of grants management and compliance. Some staff serve as specialists for specific compliance areas. Additionally, the CDBG team serves as the State Basic Agency for the Appalachian Regional Commission which adheres to almost all of the same federal regulations and requirements as HUD programs.

The HUD Baltimore Field Office can confirm that DHCD is quite diligent in their administration of federal funds. HUD has monitored DHCD regularly over the years and issued very few findings or concerns. HUD staff have regularly praised CDBG staff for their management and dedication to ensuring compliance with program requirements.

Since land use authority is devolved to the local level in Maryland, this last component does require the commitment of local governments to undertake land use reforms. Many local governments have already demonstrated their interest and commitment to undertaking prohousing zoning reforms. Many lack, however, the resources to execute on those goals. The intent of the subgrants to local governments is to both fill this resource gap and incentivize reforms in governments that may not otherwise undertake them without this funding. As opposed to taking a punitive approach of requiring jurisdictions to rezone to meet certain fair housing goals or housing production thresholds, offering jurisdictions direct funding enables them to self-identify what their needs are and ultimately “own” the process. Furthermore, by relying on the statewide fair housing analysis, jurisdictions can point to objective metrics that indicate the need for reforms, thereby providing some political cover.

Staffing

The allocated staffing for this project, broken down by activity is as follows:

Activity #1 (DHCD Staff)

Years 1 & 2 - 15% FTE Senior Federal Compliance Analyst (Leveraged)
Years 1 & 2 - 5% FTE Director of the Office of Policy Development (Leveraged)
Years 1 & 2 - 5% FTE Special Assistant (Leveraged)
Years 3-6 - 5% FTE Senior Federal Compliance Analyst (Leveraged)
Years 3-6 - 2.5% FTE Director of the Office of Policy Development (Leveraged)
Years 3-6 - 2.5% FTE Special Assistant (Leveraged)

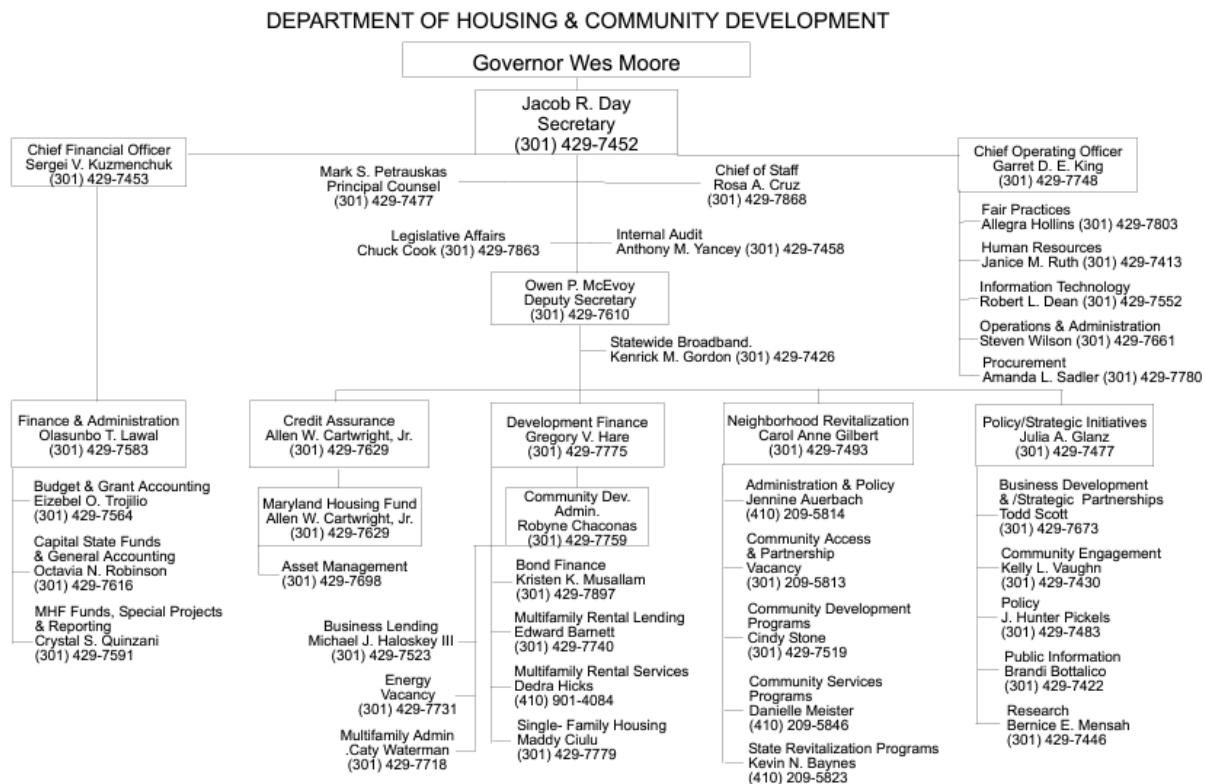
Activity #2 (MDP Staff)

Years 1-6 - 16% FTE Local Assistance and Training Manager (Leveraged)
Years 1-6 - 4% FTE Regional Planner Supervisor (Leveraged)
Years 1-6 - 2.7% FTE Regional Planner (Leveraged)
Years 1-6 - 6% FTE Geospatial Data and Analysis Planner Supervisor (Leveraged)
Years 1-6 - 3.3% FTE Director of Planning Coordination (Leveraged)
Years 1-6 - 8% FTE Four Regional Planners (Leveraged)
Years 1 & 2 - 100% FTE Housing Planning Liaison (Grant-Funded)

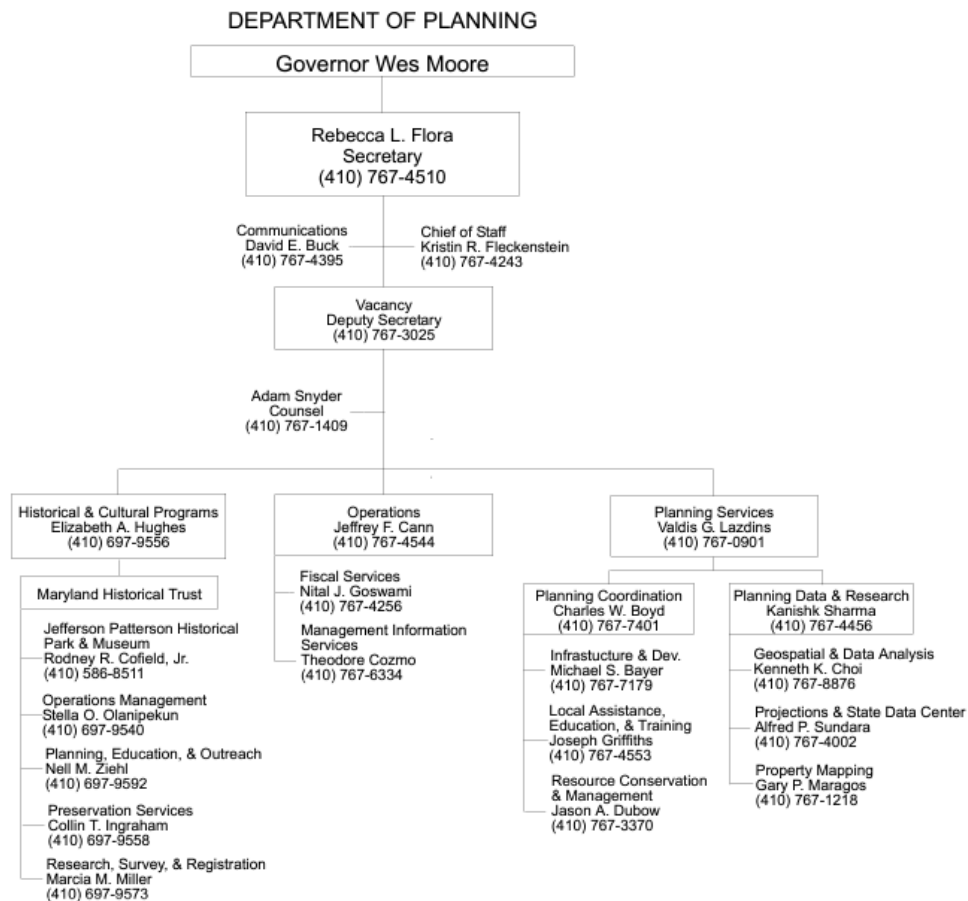
Activity #3 (DHCD Staff)

Years 3-6 - 100% FTE Project Manager (Grant-Funded)

Organization Chart



Note: This is the most recently available organizational chart for DHCD, but does not reflect the formation of the Division of Policy, Strategy, and Research (DPSR). This new division replaces the “Policy/Strategic Initiatives” section of this organizational chart. However, it does not include the following units, which either have been eliminated or now report directly to the Deputy Secretary: Business Development/Strategic Partnerships, Community Engagement, and Public Information. DPSR also includes the Legislative Affairs position currently listed as reporting directly to the Secretary.



The grant was co-written by three staff members from DPSR. The grant writing team consisted of Haley Lemieux, Director the Office of Policy Development, Jordan Gilmore, Senior Policy Analyst, and Theo Williams, Special Assistant.

Exhibit F: Leverage

i. Are you leveraging other funding or non-financial contributions?

Both DHCD and MDP intend on using existing staff members to carry out many of the grant activities outlined in this application. These two departments will leverage a total of \$426,160 in staff time and associated costs devoted to this project. Although the proposed leverage does not meet the 10% threshold to receive points with our current budget, in the event that HUD chooses to award funding to DHCD at a lower level, we may meet the 10% threshold requirement to receive points. The leveraged staff time is broken down as follows:

DHCD Leverage Contribution:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Dates	1/1/24 - 9/30/24	10/1/24 - 9/30/25	10/1/25 - 9/30/26	10/1/26 - 9/30/27	10/1/27 - 9/30/28	10/1/28 - 9/30/29	
Personnel	\$ 17,201	\$ 22,029	\$ 9,461	\$ 9,877	\$ 10,311	\$ 10,765	\$ 79,644
Senior Federal Compliance Analyst (8.3% Avg FTE)	\$ 9,149	\$ 11,717	\$ 4,078	\$ 4,257	\$ 4,444	\$ 4,640	\$ 38,285
Director of Policy Development (3.3% Avg FTE)	\$ 4,314	\$ 5,525	\$ 2,884	\$ 3,011	\$ 3,143	\$ 3,281	\$ 22,158
Special Assistant (3.3% Avg FTE)	\$ 3,738	\$ 4,787	\$ 2,499	\$ 2,609	\$ 2,724	\$ 2,844	\$ 19,201
Fringe Benefits	\$ 7,435	\$ 9,889	\$ 4,219	\$ 4,405	\$ 4,722	\$ 4,955	\$ 35,625
Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies and Materials	\$ 199	\$ 268	\$ 109	\$ 109	\$ 110	\$ 112	\$ 907
Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts and Sub-Grantees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Direct Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Indirect Costs (87.81% of Salaries & Fringe)	\$ 21,633	\$ 28,027	\$ 12,012	\$ 12,541	\$ 13,200	\$ 13,803	\$ 101,217
Total	\$ 46,468	\$ 60,213	\$ 25,801	\$ 26,932	\$ 28,343	\$ 29,635	\$ 217,393

DHCD's leverage is entirely to support Activity 1, the fair housing analysis and development of the associated mapping product.

MDP Leverage Contribution:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Dates	1/1/24 - 12/30/24	1/1/25 - 12/30/25	1/1/26 - 12/30/26	1/1/27 - 12/30/27	1/1/28 - 12/30/28	1/1/29 - 9/30/29	
Personnel	\$ 59,100	\$ 45,945	\$ 33,676	\$ 33,676	\$ 33,676	\$ -	\$ 206,074
Local Assistance and Training Manager	\$ 21,822	\$ 21,822	\$ 14,548	\$ 14,548	\$ 14,548	\$ -	\$ 87,290
Regional Planner Supervisor	\$ 13,031	\$ 6,516	\$ -	\$ -	\$ -	\$ -	\$ 19,547
Regional Planner	\$ 6,860	\$ 6,860	\$ -	\$ -	\$ -	\$ -	\$ 13,720
Geospatial Data and Analysis Planner Supervisor	\$ 13,278	\$ 6,639	\$ 3,320	\$ 3,320	\$ 3,320	\$ -	\$ 29,877
Director of Planning Coordination	\$ 4,108	\$ 4,108	\$ 4,108	\$ 4,108	\$ 4,108	\$ -	\$ 20,541
Four Regional Planners	\$ -	\$ -	\$ 11,700	\$ 11,700	\$ 11,700	\$ -	\$ 35,100
Fringe Benefits (Excluded from Final Leverage)	\$ 26,595	\$ 20,675	\$ 15,154	\$ 15,154	\$ 15,154	\$ -	\$ -
Travel (Excluded from Final Leverage)	\$ 6,997	\$ 5,440	\$ 3,987	\$ 3,987	\$ 3,987	\$ -	\$ -
Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies and Materials	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts and Sub-Grantees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Direct Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Indirect Costs (10% MTDC divided by 12)	\$ 772	\$ 601	\$ 440	\$ 440	\$ 440	\$ -	\$ 2,693
Total (Exclusive of Fringe & Travel)	\$ 59,873	\$ 46,546	\$ 34,116	\$ 34,116	\$ 34,116	\$ -	\$ 208,767

Fringe benefits and travel are shown exclusively for calculating MTDC and are not included in the final leverage amount

MDP's leverage is primarily to support Activity 2, the development of model ordinances and technical assistance to local governments. A smaller portion of the leverage will also support DHCD in executing Activity 1.

Exhibit G: Long-Term Effect

i. What permanent, long-term effects will your proposal have? What outcomes do you expect?

Upon the completion of grant-funded activities, the State of Maryland will have produced an up-to-date statewide fair housing analysis, developed a series of “pro-housing” model ordinances and zoning code changes, provided technical assistance to jurisdictions across the state to implement ordinance updates, and deployed \$8 million in resources for regulatory reforms at the local level. In the long-term, these achievements are anticipated to increase affordable housing production in communities of opportunity through two mechanisms. First, the State will be able to enhance its existing commitment to investing in affordable housing in areas of opportunity through improved targeting. Second, this proposal will directly fund the removal of local barriers preventing the development of multi-family and affordable housing in communities of opportunity. Beyond the implementation period of the grant, this proposal is anticipated to facilitate additional data-driven action at the state and local level.

This proposal mitigates potential roadblocks to the implementation of a PRO Housing award

Maryland DHCD’s proposal has been carefully designed to mitigate roadblocks to the deployment and implementation of a PRO Housing award. If awarded, DHCD will implement a data-driven analysis, match jurisdictions to optimal interventions, and directly provide the technical assistance and funding for local jurisdictions to implement regulatory reforms. Since local jurisdictions will identify the reforms they wish to undertake, the scope of our proposal meets jurisdictions where they are in the regulatory reform process, mitigating the risk that the use of awarded PRO Housing resources would be stalled by political processes. As a whole, the scope of this proposal addresses the key remaining information, cost, and political barriers that were identified in the needs section of this application.

The approach of this application is anticipated to maximize the impact of the PRO Housing application statewide, with a particular focus in the HUD-identified priority geographies. However, the \$8 million identified in the award budget for a pool of local funding to undertake regulatory reform is not anticipated to meet the full local budgetary need to implement reforms statewide. The statewide mapping component of our proposal is anticipated to counteract this limitation, by creating a clear blueprint for statewide action on data-driven and targeted regulatory reform. Additionally, the competitive sub-granting of federal funding in priority jurisdictions is anticipated to serve as a pilot program. A successful implementation of this activity will be a compelling test case for the potential commitment of state appropriations to continue to increase local capacity to undertake regulatory reforms in line with the key needs identified in the statewide blueprint.

The proposal is sensitive to housing location factors

One of the key advantages of Maryland DHCD’s proposal is that any implementation activities undertaken using this grant funding will be competitively sub-granted to local jurisdictions based

on the statewide analysis demonstrating a pressing need for a reform and based on the scale of the proposed reform.

Specifically, including an analysis of communities of opportunity at the census-tract level will identify areas in Maryland where there are meaningful employment opportunities, high-quality education opportunities, and high composite community health (which is driven by a variety of factors, including access to health care services and exposure to environmental pollutants). Prioritizing reform efforts statewide to increase allowable residential density in areas of opportunity, both through the technical assistance provided by the Maryland Department of Planning and through the evaluation of local applications for the competitive funding pool, will enable the production and preservation of affordable housing near amenities, public services, jobs, transit, schools, and other important community assets and locations.

The proposal provides a blueprint for all local Maryland communities

Maryland DHCD's proposal was deliberately designed to create tools, resources and models for all local jurisdictions across the state of Maryland. As outlined in the soundness of approach section, the statewide fair housing analysis activity will be designed to be publicly downloadable by sub-geography to facilitate use by local governments, academic researchers, or any other organization. This will allow local jurisdictions to adapt the analysis to their needs, build on the analysis, or otherwise use key data on fair housing across the state to advance their own goals. Likewise, the model "pro-housing" ordinances and zoning code changes developed by MDP are anticipated to be posted publicly, providing a reference for jurisdictions in Maryland and across the U.S.

A successful implementation of this proposal will result in the increase in the supply of housing and a reduction in zoning restrictiveness across the State of Maryland

A key benefit of Maryland DHCD's proposal is that data evaluation and tracking are included in the statewide fair housing analysis activity. This tool is anticipated to be maintained over time to generate a longitudinal dataset and enable analysis of the impacts of regulatory reforms in Maryland. Specifically, the outcome metrics that will be able to be tracked across the state include:

- Percent of residential zoning that is low-density or very-low density
- Average local jurisdiction Zoning Restrictiveness Index score
- Average timeframe to complete key residential permitting processes
- Racial, ethnic, and income segregation data indicators
- Housing cost burdens for households with persons with disabilities, families with children, and different race/ethnicity demographics
- Number of total housing units in communities of opportunity
- Number of affordable housing units in communities of opportunity

Maryland DHCD is not proposing target outcomes for these metrics in this proposal. As discussed in the Soundness of Approach section, there is limited long-term data on the impact of outcomes from regulatory reforms. However, the empirical evidence on the status quo is clear: there is a relationship between restrictive land use policies and the concentration of income and racial demographic characteristics. By systematically excluding lower-cost housing types from certain neighborhoods, jurisdictions are systematically making it more challenging for low-income households to live, work, and thrive in those communities. To address this, DHCD's proposal prioritizes sub-granting to local implementation activities that will increase access to well-resourced neighborhoods of opportunity for protected class groups. Pairing a data-driven targeting strategy with investment to implement reforms at the local level is anticipated to remove key regulatory barriers to housing production, expanding access to housing opportunities for low-income households in the long-term.